

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 94-103-C - ORDER NO. 94-807 ✓  
AUGUST 18, 1994

IN RE:	Application of Advanced Management	)	
	Services, Inc. for a Certificate of	)	ORDER
	Convenience and Necessity to Provide	)	APPROVING
	Intrastate InterLATA Telecommunications	)	CERTIFICATE
	Services within the State of South	)	
	Carolina.	)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Advanced Management Services, Inc. (AMS or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1993) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed AMS to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of AMS's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. AMS complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell) and

the South Carolina Department of Consumer Affairs (the Consumer Advocate). Southern Bell subsequently moved to withdraw its Intervention in this Docket and did not participate in the hearing on this matter.

A hearing was commenced on August 9, 1994, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. Richard L. Booth, Esquire, appeared on behalf of AMS. Hana Pokorna-Williamson, Esquire, represented the Consumer Advocate, and Florence P. Belser, Staff Counsel, represented the Commission Staff.

In support of its Application, AMS presented the testimony of Ennis Rushton, President of AMS. Mr. Rushton explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Rushton described the Company's services, billing, customer services, and marketing procedures.

Mr. Rushton testified that AMS specializes in providing its services to trucking companies and does not offer or provide its services to the general public or to residential customers. Mr. Rushton stated that AMS's services will be marketed by its non-exclusive independent agent program and by its own direct marketing program through the Truckers Communication Cooperative. AMS currently uses US Sprint as its underlying carrier, and AMS does not provide operator services or 900 type information services.

Mr. Rushton testified that AMS is financially able to provide its services on a continuing basis. Further, Mr. Rushton testified

that it has amended its tariff to delete a provision for advance payments and to revise the language regarding late fees and return check charges. Mr. Rushton also stated that AMS would delete certain language from §4.3 of the tariff which indicated that dedicated access channels may be purchased from carriers other than the LECs. Mr. Rushton also stated that AMS has applied with the Secretary of State of South Carolina for authority to operate and transact business as a foreign corporation and that such authority is pending approval.

After full consideration of the applicable law, the Company's Application, and the evidence presented by the Company, the Consumer Advocate, and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

#### FINDINGS OF FACT

1. AMS is incorporated under the laws of the State of Arizona, and AMS's Certificate of Authority to Transact Business as a Foreign Corporation in the State of South Carolina is pending.
2. AMS operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.
3. AMS has the experience, capability, and financial resources to provide the services as described in its Application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to AMS to provide intrastate interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign

Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for AMS for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Spring Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. AMS shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. AMS shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Spring Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. AMS shall file its revised maximum tariff and an

accompanying price list within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the findings of this Order and shall contain the tariff revisions as set forth in the letter of counsel for AMS dated August 3, 1994 and shall also delete the language from §4.3 which indicated that dedicated access channels could be purchased from carriers other than LECs. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. AMS is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

7. AMS shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If AMS changes underlying carriers, it shall notify the Commission in writing.

8. AMS shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. AMS shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

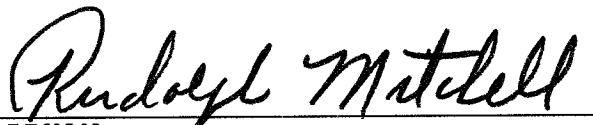
10. Upon receipt of a Certificate of Authority to Transact

Business as a foreign corporation in South Carolina, AMS shall provide a copy of the certificate to the Commission. AMS shall not provide its services in South Carolina until AMS has received its Certificate to Transact Business as a Foreign Corporation and has provided a copy of said certificate to the Commission.

11. The Motion to Withdraw Intervention filed by Southern Bell is hereby granted.

12. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
CHAIRMAN

ATTEST:

  
Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).